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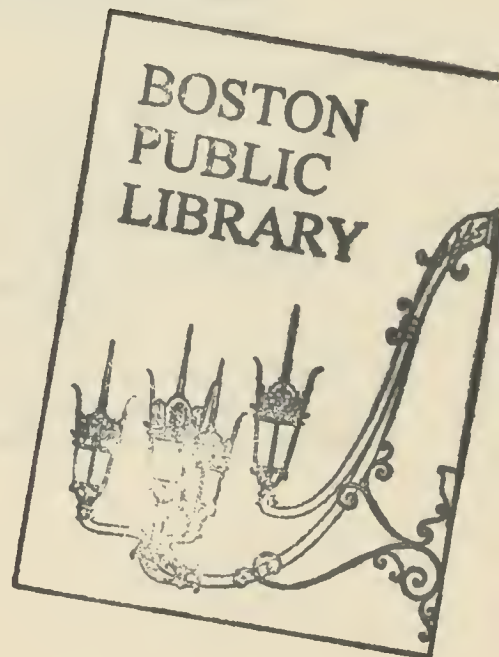
2047

Neighborhood Housing Trust Proposal

BIND

Tenants' Development Corporation
East Berkeley Street Condominiums

related documents
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Volume



City of Boston

December 30, 1987

SOUTH END
N397
1988



The
Beacon
Companies

50 Rowes Wharf Boston, Massachusetts 02110 617 330-1400

December 28, 1987

Mr. Stephen Coyle
Director
Boston Redevelopment Authority
1 City Hill Square
9th Floor
Boston, MA 02201

Re: Rowes Wharf
Housing Creation Election

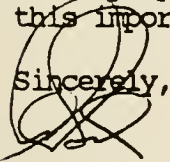
Dear Mr. Coyle:

We are pleased to confirm our commitment to elect a Housing Creation option by requesting that the annual payments due under the Development Impact Project Agreement dated June 21, 1984, between Rowes Wharf Limited Partnership and the Boston Redevelopment Authority be used to support the Housing Creation Proposal which has been submitted by Greater Boston Community Development, Inc. (GBCD), on behalf of Tenants Development Corporation (TDC).

GBCD, on behalf of TDC, has submitted a detailed proposal for the development of two mixed income housing projects on ERA owned sites in the South End. GB CD and TDC both have long records of producing affordable housing in Boston. We are delighted to work with the Authority and the Neighborhood Housing Trust to support the financing of their proposed projects through the commitment of the payments required under the DIP Agreement, in a structure to be agreed upon by all parties.

The GB CD/TDC proposal will make an important contribution to the supply of affordable housing in the South End. We hope you will act favorably on their proposal, so that the projects can proceed expeditiously to achieve this important goal.

Sincerely,



ROWES WHARF ASSOCIATES

Edwin Sidman
General Partner

CG:ENS/lah

TABLE OF CONTENTS

1. Project Summary and Pro Formas
 - A. TDC IV - East Berkeley Street
 - B. TDC III - Massachusetts Avenue
2. Development Team Information and Statement of Qualifications
3. Financing Sources
4. Disclosure Statements
5. Affirmative Marketing Plan and Non-Discrimination Statement and Boston Jobs Ordinance
6. Affordability Provisions

Added items at end of volume.

HOUSING CREATION PROPOSAL
TENANTS DEVELOPMENT CORPORATION

In connection with the Rowes Wharf development, the Beacon Companies have signed a Development Impact Project Agreement to make Housing Payments to the City of Boston at the rate of \$176,000 per year during the years 1988-1998. We propose that these payments be assigned to the Tenants Development Corporation (TDC) to assist in the creation of 94 units, 62 of which are affordable housing units, in two TDC developments in the South End. Most of these funds will be committed to the equity needs of TDC IV, a mixed-income condominium project, and every dollar not needed there will be used to subsidize moderate income rents in TDC III.

TDC is a nonprofit organization which was formed in 1969 by the South End Tenants Council to undertake the rehabilitation of BRA-owned buildings scattered throughout the South End. As of this date, TDC owns 56 buildings with 285 rehabilitated apartments. The members of the corporation are the tenants of these buildings, who are largely lower income black residents, which qualifies TDC as a minority developer; the Board and staff of the corporation are responsible for the management and maintenance of these apartments.

In 1985, TDC hired Greater Boston Community Development, Inc. (GBCD), which had served as developer for the first TDC projects, to undertake new development in the South End, as TDC saw their waiting lists growing and the housing shortage worsening in the face of the neighborhood's gentrification. This has resulted in the creation of two new projects for TDC which need assistance from the City or BRA in order to make two-thirds of the units (62 out of 94) available to lower income families: TDC III and TDC IV. The Rowes Wharf DIP Agreement payments can go a long distance toward meeting that need.

The specifics of these projects are presented in the attached forms and pro formas. Narrative descriptions of the projects introduce the basic elements of each project. Both projects are being done by essentially the same development teams: GB CD, development consultant; Stull & Lee, architect; John B. Cruz Construction, general contractor.

Application of Housing Creation Funds

TDC's immediate proposal is to borrow approximately \$1.1 million against the Rows Wharf Housing Payment letter of credit. This amount will fill the gap between the development cost and the sales proceeds of a 35 unit mixed-income condominium project on East Berkeley Street. Specifically, the funds will be applied to the units which will be offered to low and moderate income households at prices below the actual development costs. Any additional funds available from this loan will be contributed to subsidizing low and moderate income rents for two-thirds of the units at an MHFA/SHARP project which TDC has under construction now on Massachusetts Avenue. Without the Housing Creation funds, TDC will be unable to produce the units at East Berkeley Street or make units at Massachusetts Avenue affordable to such a high proportion of low and moderate income tenants.

This loan, projected to be approximately \$1,142,000, will be repaid by the Rows Wharf payments as they come in. The exact amount of the loan principal will be governed by the final terms and interest rate at the time the financing is completed. Assuming a loan of \$1,142,000 is achieved, (11 years at 10.5%) the uses of this loan will be as follows:

Loan Amount	\$1,142,000
Less Amount for TDC IV Gap	<u>1,100,425</u>
Available for TDC III	\$ 41,575

	<u>1988</u>	<u>1989</u>
Subsidy needed	28,000	122,600
Interest earned	2,000	--
Balance	15,575	(107,025)

The enclosed pro formas for the condominium development include several conservative assumptions, all of which have been insisted upon by the bank with which GBCD has been negotiating for the construction loan. Specifically, the market rate units are projected to sell for only \$123 per square foot; it is assumed that the full loan will be outstanding for 6 months after the construction is completed; and the budget is carrying \$100,000 for marketing costs. In addition, there is a generous construction contingency amount because the project involves the rehabilitation of badly deteriorated brick buildings which may have unknown conditions which will increase the cost of the work.

GBCD and TDC are of course hopeful that all of these assumptions do not prove to be true. They will be working diligently to recapture as much of the Housing Creation Funds as possible in order to fund the moderate income units at 400 Massachusetts Avenue for a significant period of time.

Conclusion

The TDC III and TDC IV projects represent one of the last opportunities to build affordable housing in the South End. They involve both the rehabilitation of seriously dilapidated, abandoned buildings and the redevelopment of vacant underutilized land into quality housing, with 67% of the units made available to lower income households. The Tenants Development Corporation has defended the interests of affordable housing in the South End for almost 20 years and these project represent the fruition of many years of hard work and planning to bring back units of housing to the kind of mixed income population which has historically lived in the South End.

The East Berkeley condominiums are ready to move forward and the Rows Housing Payments will supply the missing link needed in order to allow construction to begin early in 1988 before severe weather and other dangers cause more irreparable harm to the buildings' structure. The rehabilitated units at TDC III will be rented in early 1988, and a portion of these funds will cover the immediate gap caused by moderate income rents, at least for the first year of operation until a more permanent solution can be found.

TDC IV - East Berkeley Street Condominiums

TDC received tentative developer designation in July, 1987 from the BRA for a second project in an abandoned block of brick rowhouses on East Berkeley Street, between Shawmut Avenue and Washington Streets, adjacent to the old Dover Station on the soon-to-be-removed elevated Orange Line tracks. TDC's plan is to convert this block into 35 rehabilitated condominium units to be sold to low, moderate and market rate households. The eleven low-income units will be sold to the Boston Housing Authority for subsequent rental as public housing; the twelve moderate income units will be sold under the State's Homeownership Opportunity Program; and the remaining twelve units will be sold at market prices. Thus, two-thirds of the units (23 out of 35) will be affordable to lower income families; and all of these units will be maintained at affordable prices in perpetuity.

The East Berkeley buildings are in a very serious state of deterioration and have recently been further damaged by fire. There is a great urgency to close the construction loan and authorize the contractor to begin work as soon as possible, because the buildings cannot be guaranteed to survive another winter in their current unprotected state.

Total development costs for the project are \$4,325,425. Sales of condominium units are projected to generate proceeds of \$3,227,500. The balance of approximately \$1.1 million is to be covered by linkage funds. A conventional construction loan will provide \$3,225,000. Linkage funds of \$1,100,425 are required before construction start to cover the balance.

A) FORM 1

PROJECT SUMMARY

1. APPLICANT: Name: Tenants Development CorporationAddress: 663 Mass Ave. Boston 021182. PROJECT ADDRESS: 69-81 East Berkeley St./210-214 Shawmut Ave.Boston 021163. PROJECT NAME (if different): TDC IV - 75 East Berkeley St.

4. PROJECT TYPE: (Check all categories that apply)

☐ NEW CONSTRUCTION	☒ RENTAL
☐ REHABILITATION OF OCCUPIED PROPERTY	☒ SINGLE FAMILY OWNERSHIP
☒ REHABILITATION OF ABANDONED PROPERTY	☒ CONDOMINIUM
☐ ADAPTIVE REUSE	☐ COOPERATIVE
☐ MIXED USE	☐ TRANSITIONAL HOUSING
	☐ EMERGENCY SHELTER
	☐ OTHER (specify)

5. PROJECT DESCRIPTION: Complete the following project description where the following definitions apply: Units also include beds for shelters and rooms for shared living projects (specify); "new units" includes newly constructed housing, rehabilitation of abandoned units, creation of new housing through adaptive reuse.

(i) UNITS BY TYPE

	TOTAL UNITS	NEW UNITS
RENTAL	<u>11**</u>	<u>11</u>
OWNERSHIP	<u>24</u>	<u>24</u>
OTHER (specify)		
(total)	<u>35</u>	<u>35</u>

(ii) UNITS BY INCOME

	TOTAL UNITS	NEW UNITS
LOW INCOME	<u>11</u>	<u>11</u>
MODERATE INCOME	<u>12</u>	<u>12</u>
OTHER Market	<u>12</u>	<u>12</u>
(total)	<u>35</u>	<u>35</u>

(iii) HOUSING UNIT SIZE & PRICE BREAKDOWNS:

	# of Units	S.F. per Unit	Unit Sale price/ ~~Monthly Rent~~ Cost/SF
Studio:	<u>1</u>	<u>552</u>	<u>\$ 70,000 127</u>
1 BR:	<u>6</u>	<u>515-839</u>	<u>65-100,000 105-134</u>
2 BR:	<u>22</u>	<u>729-1098</u>	<u>75-130,000 85-133</u>
3 BR:	<u>6</u>	<u>1729-1779</u>	<u>85-195,000 50-110</u>
4 BR:			
TOTALS:	<u>35</u>		

** 11 units will be sold to the Boston Housing Authority and rented to low-income tenants. The rest of the units will be condominiums.

6. TOTAL DEVELOPMENT COST: \$ 4,325,425

7. DEVELOPMENT COST PER SQ. FT.:
a. NEW CONSTRUCTION: \$ _____
b. REHAB: \$ 98

8. PROPERTY PURCHASE OFFER: \$ _____

9. # OF PARKING SPACES: 20

10. % OPEN SPACE: _____

11. FLOOR TO AREA RATIO: 4

12. UNIQUE PROJECT FEATURES: This project involves the rehabilitation of a block of very badly deteriorated buildings owned by the BRA. Because of their very dangerous condition, it is imperative that construction begin during the winter of 1987.

13. PROPOSED COMMERCIAL USES: none
(if applicable)

14. # OF COMMERCIAL UNITS: _____

15. COMMERCIAL SQUARE FOOTAGE: _____

16. COMMERCIAL RENTS: _____

17. PROPOSED PROJECT FINANCING: \$3,225,000 - U.S. Trust Co.

18. FINANCING GAP: \$100,425

19. PUBLIC ASSISTANCE SOURCES: EOCD Abandonment Program

20. TOTAL LINKAGE REQUEST \$ 1,100,425

21. LINKAGE REQUEST PER LOW-MOD UNIT \$ 47.845

22. TYPE OF LINKAGE REQUEST (circle): GRANT LOAN
If loan, describe proposed terms: xx

TDC IV
Development Pro-Forma
East Berkeley Street
12/02/87

No. of Units 35
Gross Sq Feet 44200

Acquisition 88,400

Construction--

Hard Costs--

 \$65/gsf/44200sf 2,873,000

 Constr. Conting.(10%) 287,300

Subtotal 3,160,300

General Devel Costs--

Arch/Eng 120,000

Legal 30,000

Title/Recording 12,000

Acctg 8,000

Devel Consult 75,000

Bond 40,000

Surveys/Permits/Misc 60,000

RE Tax 10,000

Clerk of Works 27,000

Insurance 30,000

Marketing 100,000

Sponsor Cost/Return 100,000

Subtotal 3,860,700

Financing Fees--

Construction Interest 212,850

 Period(mos.) 12

 Principal 3,225,000

 Annl Rate 0.11

 Average Bal 60%

Constr. Loan Origination 64,500

Loan Closing Costs 10,000

Subtotal 287,350

Carrying Costs \$177,375

Period(months) 6

Avg Loan Outstanding 3,225,000

TOTAL DEVEL. COST 4,325,425

TDC/du 123,584

Linkage required 1,100,425

PROJECTED SALES
TDC ~ IV
EAST BERKELEY STREET

	<u>OBR</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>TOTAL</u>
Low-Income Units (B.H.A.)					
			8 @90,000	2 @121,000	\$ 720,000
				1 @110,000	242,000
					<u>110,000</u>
				Sub-Total	1,072,000
Moderate-Income Units (HOP Program)					
		2 @65,000	8 @75,000	2 @85,000	130,000
					600,000
					<u>170,000</u>
				Sub-Total	900,000
				Less Comm. 3%	27,000
				Net	<u>873,000</u>
Market Units					
	1 @70,000				70,000
		1 @100,000			100,000
		1 @100,000			100,000
		2 @70,000			140,000
			2 @130,000		260,000
			1 @125,000		125,000
			3 @120,000		360,000
				1 @195,000	<u>195,000</u>
				Sub-Total	1,350,000
				Less Comm. 5%	67,500
				Net	<u>1,282,500</u>
				GRAND TOTAL	3,227,500

MARKET UNITS

<u>Type</u>	<u>#</u>	<u>Size</u>	<u>Price</u>	<u>Price/Sq. Ft.</u>
0 BR	1	551 s.f.	\$ 70,000	\$127
1 BR	1	839	100,000	119
	1	814	100,000	123
	2	515	70,000	134
			70,000	134
2 BR	2	1,098	130,000	118
			130,000	118
	1	1,022	125,000	122
	3	901	120,000	133
			120,000	133
			120,000	133
3 BR	<u>1</u>	<u>1,779</u>	<u>195,000</u>	<u>110</u>
TOTAL	12	10,934 s.f.	\$1,350,000	123

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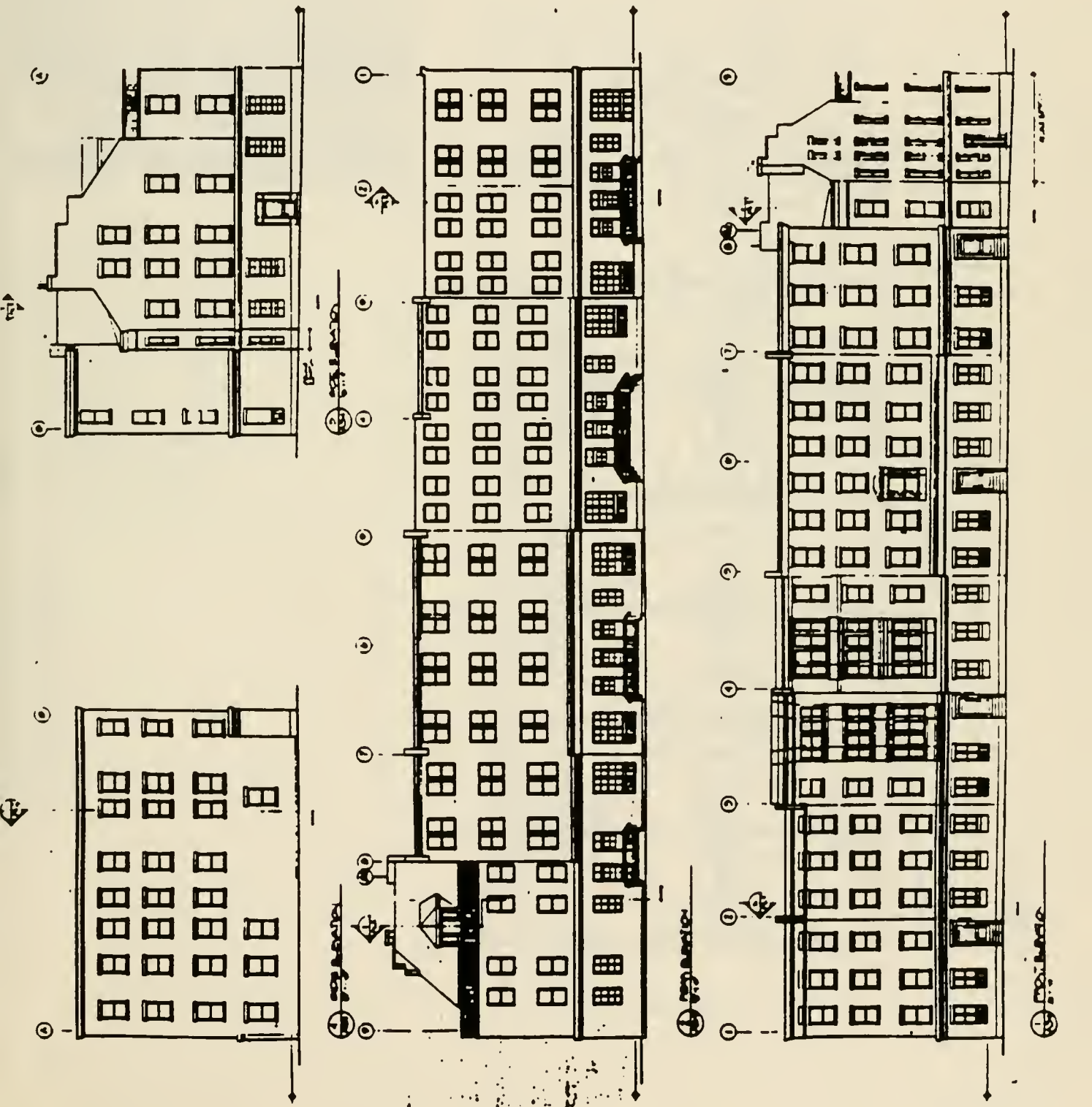
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SOUTH END TENANT HOUSING

ST. LOUIS, MISSOURI

ARCHITECT





WISTILL AND LEE INC. ARCHITECTS
 1000 COLLETON STREET
 BOSTON, MA 02118
 (617) 452-0400

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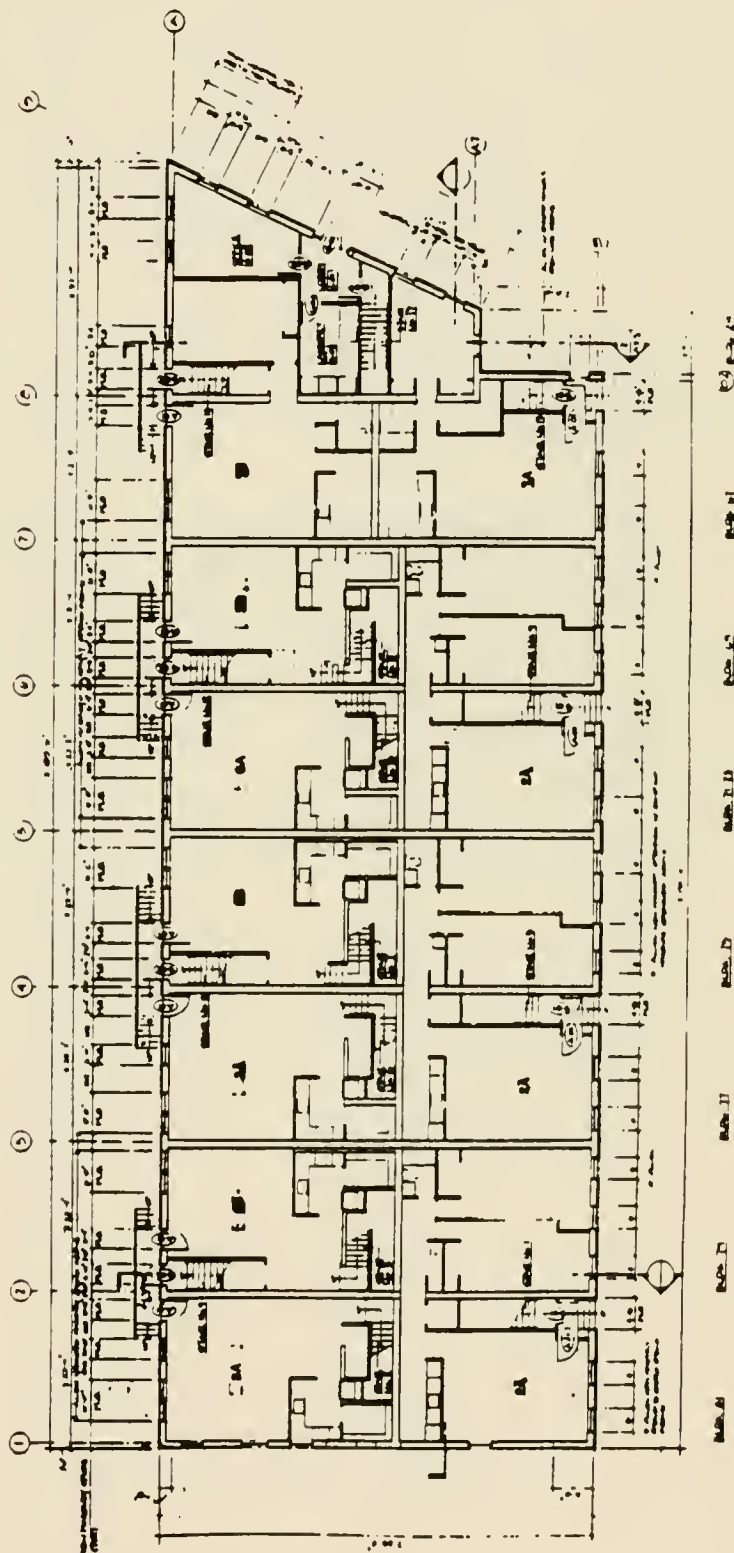
TECHNANT DEVELOPMENT CORP
643 MIDDLEBURY AVENUE
BOSTON MA 02118 617 646-8100

**SOUTH END
TENANT
HOUSING**

4701 E DORSELEY ST
FLOOR PLAN

PROJECT NO. 0200

DOOR TYPES		DOOR SCHEDULE	
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100



GROUND FLOOR

TDC III - Dawson-Longley Apartments
(395, 397, 400 and 586 Massachusetts Avenue)

The project known as TDC III is a 59-unit MHFA/SHARP development which is presently under construction; it consists of the rehabilitation of three vacant townhouses into 14 apartments and the new construction of a 45-unit apartment building, all on Massachusetts Avenue. Most of the project is located directly adjacent to the new Mass. Ave stop on the MBTA's Orange Line, between Columbus Avenue and the Southwest Corridor Park. The rehab units are scheduled for completion by December 31, 1987; and the new building at 400 Massachusetts Avenue is expected to be finished in October, 1988.

Equity for this project was raised through syndication (TDC III Limited Partnership) which is being bridged by a loan from the City's BUILD program. The construction loan and permanent financing are from MHFA which has provided SHARP funds to assist the project in achieving financial feasibility.

Except for one building which TDC owned, all the property was acquired from the Boston Redevelopment Authority, and it is a condition of the Land Disposition Agreement, as well as the long standing commitment of TDC and the BRA, that two-thirds of the units be affordable to lower income tenants for at least 15 years. Specifically, 25% of the units are reserved for low-income Section 8 or 707 certificate holders, and 40% of the units for moderate income tenants, for a total of 39 affordable apartments. Since the rehabilitated units will be ready for occupancy in January, 1988, there is an immediate urgency to putting the necessary subsidies in place so that TDC will in fact be able to rent the apartments to the intended mixed-income population and not be obliged to keep apartments empty for lack of subsidy.

The subsidy needed for the first year when only the rehabilitation units are occupied is approximately \$28,000; but over the course of 15 years the entire project requires over \$1.2 million, as shown in the attached 15 year operating pro forma. The fact that these funds are required to achieve the desired income mix of this development has been known since the buildings were transferred to TDC during 1985.

A) FORM 1

PROJECT SUMMARY

1. APPLICANT: Name: Tenants Development CorporationAddress: 663 Mass Ave. Boston 021182. PROJECT ADDRESS: 395,397,400,586 Mass AvenueBoston 021183. PROJECT NAME (if different): TDC III Dawson -Longley Apartments

4. PROJECT TYPE: (Check all categories that apply)

☒ NEW CONSTRUCTION
☐ REHABILITATION OF
 OCCUPIED PROPERTY
☒ REHABILITATION OF
 ABANDONED PROPERTY
 ADAPTIVE REUSE
☒ MIXED USE

☒ RENTAL
☐ SINGLE FAMILY OWNERSHIP
☐ CONDOMINIUM
☐ COOPERATIVE
☐ TRANSITIONAL HOUSING
☐ EMERGENCY SHELTER
☐ OTHER (specify)

5. PROJECT DESCRIPTION: Complete the following project description where the following definitions apply: Units also include beds for shelters and rooms for shared living projects (specify); "new units" includes newly constructed housing, rehabilitation of abandoned units, creation of new housing through adaptive reuse.

(i) UNITS BY TYPE

	TOTAL UNITS	NEW UNITS
RENTAL	<u>59</u>	<u>59</u>
OWNERSHIP	<u> </u>	<u> </u>
OTHER (specify)	<u> </u>	<u> </u>
(total)	<u>59**</u>	<u>59</u>

(ii) UNITS BY INCOME

	TOTAL UNITS	NEW UNITS
LOW INCOME	<u>15</u>	<u>15</u>
MODERATE INCOME	<u>24</u>	<u>24</u>
~~OTHER~~ Market	<u>20</u>	<u>20</u>
(total)	<u>59</u>	<u>59</u>

(iii) HOUSING UNIT SIZE & PRICE BREAKDOWNS:

	# of Units	S.F. per Unit	~~Unit~~ ~~Size~~ ~~Price~~ / Cost/SF Monthly Rent
Studio:	<u>2</u>	<u>400</u>	<u>400</u>
1 BR:	<u>29</u>	<u>555</u>	<u>450-800</u>
2 BR:	<u>15</u>	<u>650-800</u>	<u>540-950</u>
3 BR:	<u>12</u>	<u>1080</u>	<u>600-1100</u>
4 BR:	<u>1</u>	<u>1400</u>	<u>1020</u>
TOTALS:	<u>59</u>		

** The project includes 5 barrier-free apartments; in addition, 2 units will be rented to clients of the Dept. of Mental Health.

6. TOTAL DEVELOPMENT COST: \$ 6,367,000

7. DEVELOPMENT COST PER SQ. FT.:
 a. NEW CONSTRUCTION: \$ 98
 b. REHAB: \$ 98

8. PROPERTY PURCHASE OFFER: \$

9. # OF PARKING SPACES: 6

10. % OPEN SPACE:

11. FLOOR TO AREA RATIO: 2.3-4.3

12. UNIQUE PROJECT FEATURES: This project combines the rehabilitation of three abandoned buildings (14 units) and the new construction of 45 apts. on a nearby vacant parcel owned by the BRA, adjacent to the new Mass Ave. T station. The project is central to the revitalization of the surrounding area.

13. PROPOSED COMMERCIAL USES:
 (if applicable) Office space for TDC
 Commercial tenant not yet selected

14. # OF COMMERCIAL UNITS: 2

15. COMMERCIAL SQUARE FOOTAGE: 2,738

16. COMMERCIAL RENTS: \$10-14/s.f.

17. PROPOSED PROJECT FINANCING: MHFA Mortgage; City of Boston
 Operating BUILD loan against syndication proceeds

18. ~~FINANCING~~ GAP: \$1,243,727 over 15 years

19. PUBLIC ASSISTANCE SOURCES: SHARP; CDBG; 707/Sec.8

20. TOTAL LINKAGE REQUEST \$ 1,243,727

21. LINKAGE REQUEST PER LOW-MOD UNIT \$ 31,900 (over 15 years)

22. TYPE OF LINKAGE REQUEST (circle): GRANT LOAN
 If loan, describe proposed terms: xx

With Moderate Income Rents

Net Income	79,226
------------	--------

11/12/87

15 YEAR OPERATING PRO FORMA

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Eff Res Inc	474,057	497,760	522,648	548,781	576,220	605,031	635,282	667,046	700,399	735,419	772,190	810,799	851,339	893,906	938,601
Eff Comal Inc	35,435	37,207	39,067	41,020	43,071	45,225	47,486	49,860	52,353	54,971	57,720	60,606	63,636	66,818	70,158
Other Income	4,248	4,460	4,683	4,918	5,163	5,422	5,693	5,977	6,276	6,590	6,920	7,266	7,629	8,010	8,411
LIKAGE	122,641	129,417	123,213	111,198	93,333	74,574	57,087	60,895	64,896	69,096	73,506	78,135	82,997	88,919	1,243,726

Total E.G.I. Before SHARP	179,429	179,429	179,429	179,429	179,429	179,429	177,220	152,730	127,014	100,013	71,662	41,894	10,637	0	1,757,744
SHARP	37,209	15,000	5,000	0	0	0	0	0	0	0	0	0	0	0	0
IDC Sub	853,019	863,273	874,041	885,346	897,216	909,680	922,768	936,509	950,938	966,089	981,997	998,699	1,016,238	1,034,653	1,053,990
EXPENSES															
Heat Fee	32,164	33,772	35,461	37,234	39,096	41,050	43,103	45,258	47,521	49,897	52,392	55,011	57,762	60,650	63,683
Admin	17,986	18,885	19,830	20,821	21,862	22,955	24,103	25,308	26,574	27,902	29,297	30,762	32,300	33,915	35,611
Maint	40,787	42,826	44,968	47,216	49,577	52,056	54,658	57,391	60,261	63,274	66,438	69,760	73,248	76,910	80,755
Sec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	43,764	45,952	48,250	50,662	53,195	55,855	58,648	61,580	64,659	67,892	71,287	74,851	78,594	82,524	86,650
Insurance	15,000	15,750	16,538	17,364	18,233	19,144	20,101	21,107	22,162	23,270	24,433	25,655	26,938	28,285	29,699
Op Exp B1ARR	149,701	157,186	165,045	173,298	181,963	191,061	200,614	210,644	221,177	232,235	243,847	256,040	268,841	282,284	296,398
Taxes	39,160	41,118	43,174	45,333	47,599	49,979	52,478	55,102	57,857	60,750	63,788	66,977	70,326	73,842	77,534
Repl Res	16,225	17,036	17,888	18,782	19,722	20,708	21,743	22,830	23,972	25,170	26,429	27,750	29,138	30,595	32,124
TOTAL	205,086	215,340	226,107	237,413	249,283	261,747	274,835	288,577	303,005	318,156	334,063	350,767	368,305	386,720	406,056
Debt Service	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709	568,709
Cash Flow	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224
Return on equity	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224	79,224

Present Value @ 10.00% 699,755



VIEW ALONG MASS. AVE.

1. DEVELOPMENT TEAM INFORMATION

<u>Developer</u>	<u>Name and Address</u>	<u>Telephone</u>
Marc Tyler Tenants Development Corporation 663 Mass Ave. Boston 02118		445-8317
Kathryn Kasch Greater Boston Community Development Inc. 79 Milk St. Boston 02109		482-6553
On a separate page, please describe fully the nature of the development entity, including: a) the legal structure, b) list the general partners c) the legal history of the organization. Please attach a copy of any joint venture agreement, articles of incorporation or trust agreement establishing the development entity.		
Architect/Engineer (s)	Stull & Lee 100 Boylston St. Boston 02116	426-0406
Attorney	Csaplar & Bok 1 Winthrop Square Boston 02110	357-4400
Accountant	Alfred Siegrist 20 Walnut St. Wellesley Hills	237-4620
Project Manager	Kathryn Kasch GBCD	
Construction Manager	Ron Furr John B. Cruz Construction 1 John Eliot Square Roxbury 02119	445-6901

Marketing Agent (if applicable)

For each of the members of the development team, including each general partner, please attach a resume.

B) FORM 2

1. DEVELOPMENT TEAM INFORMATION

<u>Developer</u>	<u>Name and Address</u>	<u>Telephone</u>
Marc Tyler	Tenants Development Corp. 663 Mass Ave. Boston 02118	445-8317

On a separate page, please describe fully the nature of the development entity, including: a) the legal structure, b) list the general partners c) the legal history of the organization. Please attach a copy of any joint venture agreement, articles of incorporation or trust agreement establishing the development entity.

Architect/Engineer (s)

Stull & Lee	426-0406
100 Boylston St.	
Boston 02116	

Attorney

Daniel Sullivan	330-9000
Brown Rudnick Freedman Gesmer	
1 Financial Center	
Boston 02111	

Accountant

Alfred Siegrist	237-4620
20 Walnut St.	
Wellesley Hills	

Project Manager

Kathryn Kasch	482-6553
Greater Boston Community	
Development, Inc.	
79 Milk St. Boston 02109	

Construction Manager

Ronald Furr	445-6901
John B. Cruz Construction	
1 John Eliot Square	
Roxbury 02119	

Marketing Agent (if applicable)

For each of the members of the development team, including each general partner, please attach a resume.

The team as it is presently constituted is composed of the following members:

TENANTS' DEVELOPMENT CORPORATION

Tenants' Development Corporation (TDC) currently manages 286 units of low and moderate income housing in scattered buildings in the immediate South End neighborhood that it developed in the 1970s. With an administration staff of six and its own in-house maintenance staff, TDC has recently been rated very highly by MHFA for its well-run management operation. Current staff has significant experience in market, as well as low and moderate income housing management. In addition, we currently have under construction a 59 unit rental project funded by MHFA, the City of Boston's BUILD loan program, the Boston Bank of Commerce and the Boston Trade Bank.

Contact Person: Marc Tyler, President.

DEVELOPMENT CONSULTANT: Greater Boston Community Development, Inc.

Greater Boston Community Development, Inc. (GBCD) is a nonprofit corporation founded in 1964 with the purpose of providing affordable, decent housing opportunities to low and moderate income households. GBCD undertakes all aspects of housing development, including site selection, obtaining necessary local approvals, coordinating with funding sources, arranging financing, and structuring the ownership of projects. Since its founding GBCD has, on behalf of over 30 community organizations, obtained financing and, where needed, subsidy commitments for 3,751 units of housing: 2,757 of these have been finished and occupied; 1,004 are now under construction or are in the process of obtaining final financial commitments. In providing these housing units, GBCD has generated mortgage and equity financing worth more than \$170 million.

Contact Person: Kathryn Kasch, Project Manager

ARCHITECT: Stull and Lee, Inc.

Stull and Lee is recognized as one of the foremost architecture and urban design firms in the United States. In 1968, two years after its formation, the firm achieved prominence for its innovative planning and design of large scale housing programs. Much of this recognition resulted from early involvement in the development of building systems and prefabricated component design. During the same period, Stull and Lee pioneered concepts in community planning and urban design.

In recent years, Stull and Lee has grown from a small group of designers concentrated in multiple family housing and related work to its present staff range of 20 to 40 architects, planners, landscape architects, and urban designers. Based in Boston, Stull and Lee has successfully completed over ninety major projects. The firm is a MBE.

Contact Person: Gregory Rapp, Project Architect

CONTRACTOR: John B. Cruz Construction Company, Inc.

Cruz Construction Company, based in Mattapan, has more than thirty-five years of construction experience in building all sizes and types of residential, commercial and industrial buildings. Cruz has completed numerous housing development projects with the MHFA and the U.S. Department of Housing and Urban Development (HUD) with excellent results. The company is an MBE and has a bonding capacity of over \$30 million.

Contact Person: Ronald Furr, Vice President

2. DEVELOPER'S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

1. Name and address of developer: Tenants Development Corporation
663 Massachusetts Avenue
Boston, MA 02118
2. Is the developer or any other member of the joint venture a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms?
YES: xx NO: _____
If yes, explain
1. TDC Management, Inc. These are subsidiary corporations
2. TDC III Management, Inc. of TDC which were formed to be the general partners of the syndicated limited partnerships*
3. a. The financial condition of the developer, as of Dec. 31, 1986 is as reflected in the attached financial statement.

NOTE: Attach to this statement a financial statement FOR EACH GENERAL PARTNER showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old. These statements will be held in strict confidence.

- b. Name and address of auditor or public accountant who performed audit on which said financial statement is based.

Alfred Siegrist
20 Walnut Street
Wellesley Hills, MA 02181

4. If funds for the development of the project are to be from sources other than the developer's own funds, please state the developer's plan for financing the acquisition and development of the project:

TDC III	- MHFA Mortgage	- \$5,300,100
	- BUILD Loan (Against syndication proceeds)	- 1,286,000
TDC IV	- Bank Construction Loan	- \$3,225,000

5. Sources and amount of cash available to developer to meet up-front costs of the proposed undertaking:

- a. In banks:

<u>Name, address & zip code of bank</u>	<u>Amount</u>
	\$

The Mortgage for TDC III has already closed and been funded for TDC IV, the architect has already been paid with TDC funds; other upfront costs will be paid when the construction loan closes.

- b. By loans from affiliated or associated corporations of firms:

<u>Name, address & zip code of source</u>	<u>Amount</u>
	\$

- c. By sale of readily salable asset

<u>Description</u>	<u>Market Value</u>	<u>Mortgage or liens</u>
	\$	\$

6. Name and addresses of bank references:

Warren Smith, Boston Bank of Commerce
110 Tremont Street, Boston, MA 02108
Bank of Boston, Prudential Center, Boston

7. Has the developer or (if any) the corporation, or any subsidiary or affiliated corporation of the developer or said parent corporation, or any of the developer's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past ten years?

YES: _____ NO: XX
If yes, give the date, place and under what name.

8. a. Undertakings, comparable to the proposed development work, which have been completed by the developer, including identification and brief description of each project and date of completion:

South End Tenants Housing I - Acquisition & rehabilitation of
100 scattered-site units

South End Tenants Housing III - Acquisition & rehabilitation of
185 scattered-site units.

- b. If the developer or any of the principals of the developer has ever been an employee in a supervisory capacity for a construction contractor or builder or undertaking comparable to the proposed development work, name of such employee, name and address of employer, title of position, and brief description of work:

N/A

9. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development of the land as a construction contractor or builder: N/A

a. Name and address of such contractor or builder:

- b. Has such contractor or builder within the last ten years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

YES _____ NO _____

If yes, explain: _____

- c. Total amount of construction or development work performed by such contractor or builder during the last three years:

\$ _____

General description of such work: _____

- d. Construction contracts or developments now being performed by such contractor or builder:

Identification of
Contract or Development
and Location

Amount
\$

Date to be
Completed

- e. Outstanding construction contract bids of such contractor or bidder:

Awarding Agency

Amount

Date Opened

10. Brief statement respecting equipment, experience, financial capability, and other resources available to such contractor or builder for the performance of the work involved in the development of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

11. Statement and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 3) are attached hereto and hereby made a part hereof as follows:

12. If the developer, any employee of the developer or any party holding a financial interest in the development is now a City of Boston employee or has been at any time in the year preceding this date, please list the person(s)'s name, position held, or financial interest in the development entity, City of Boston position, and if not currently employed by the City, the last date of City employment.

N/A

13. List the address(es) of all other properties that the owner(s) or principals of the proposed project own(s) in the City of Boston:

See attached list



Tenants' Development Corporation

663 MASSACHUSETTS AVENUE • BOSTON, MASSACHUSETTS 02118 • (617) 445-8317

SETH I , Houses.

457 Mass. Ave.	129 W. Springfield St.
508 Mass. Ave.	89 Worcester St.
522 Mass. Ave.	91 Worcester St.
556 Mass. Ave.	106 W. Concord St.
572 Mass. Ave.	118 W. Concord St.
574 Mass. Ave.	130 W. Concord St.
654 Mass. Ave.	55 Rutland St.
671 Mass. Ave.	57 Rutland St.
673 Mass. Ave.	438 Columbus Ave.
675 Mass. Ave.	502 Columbus Ave.

SETH II, Houses.

401 Mass. Ave.	663 Mass. Ave.
403 Mass. Ave.	692 Mass. Ave.
405 Mass. Ave.	896 Mass. Ave.
407 Mass. Ave.	5 Braddock Park.
419 Mass. Ave.	506 Columbus Ave.
421 Mass. Ave.	24 E. Springfield St.
423 Mass. Ave.	30 Greenwich Park
425 Mass. Ave.	32 Greenwich Park.
545 Mass. Ave.	139 Pembroke St.
547 Mass. Ave.	29 Rutland St.
553 Mass. Ave.	23 Wellington St.
560 Mass. Ave.	127 W. Concord St.
569 Mass. Ave.	115 W. Newton St.
571 Mass. Ave.	213 W. Newton St.
573 Mass. Ave.	96 W. Springfield St.
612 Mass. Ave.	32 Worcester St.
623 Mass. Ave.	57 Worcester St.
627 Mass. Ave.	84 Worcester St.

TDC III

395 Mass. Ave.
397 Mass. Ave.
400 Mass. Ave.
586 Mass Ave.



CERTIFICATION

I/We, Marc Tyler, certify that this Developer's Statement of Qualifications and Financial Responsibility and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my/our knowledge and belief.

Dated 12-17-87

Marc Tyler
Signature
President
Tenants Development Corp.
663 Mass Avenue
Boston, MA 02118

Address & Zip Code

Dated 17 Dec 87

Nathaniel Dean, Clerk
Signature
Clerk

Tenants' Development Corporation
663 Massachusetts Avenue
Boston, MA 02118

Address & Zip Code

TENANTS' DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 1986

ALFRED W. SIEGRIST

CERTIFIED PUBLIC ACCOUNTANT, P.C.

20 WALNUT STREET

WELLESLEY HILLS, MASSACHUSETTS 02181

(617) 237-4620

To the Board of Directors of
Tenants' Development Corporation

I have examined the balance sheet of Tenants' Development Corporation as of December 31, 1986 and the related statements of revenue, expenses and changes in fund balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as considered necessary in the circumstances.

In my opinion, the financial statements referred to above present fairly the financial position of Tenants' Development Corporation at December 31, 1986 and the results of its operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 12, 1987

Alfred W. Siegrist

TENANTS' DEVELOPMENT CORPORATION

BALANCE SHEET

December 31, 1986

ASSETS

Current assets:

Cash on hand and in banks	\$ 107,728
Marketable securities (Note 3)	138,646
Management fees receivable (Note 4)	42,555
Prepaid expenses	<u>2,847</u>

Total current assets	\$ 291,776
----------------------	------------

Property and equipment (Note 2):

Office furniture and equipment	12,080
Improvements	350
Motor vehicles	<u>20,963</u>
	33,393

Less accumulated depreciation	<u>13,291</u>
-------------------------------	---------------

Total property and equipment	20,102
------------------------------	--------

Other assets:

Advances to affiliate	24,459
Notes receivable (Note 4)	5,325,695
Deferred development cost (Note 5)	<u>429,796</u>

Total other assets	<u>5,779,950</u>
--------------------	------------------

Total assets	<u>\$6,091,828</u>
--------------	--------------------

The accompanying notes are an integral
part of the financial statements.

TENANTS' DEVELOPMENT CORPORATION

BALANCE SHEET

December 31, 1986

LIABILITIES AND FUND BALANCE

Current liabilities:		
Note payable (Note 6)	\$93,187	
Accounts payable	17,515	
Payroll taxes withheld and accrued	7,117	
Accrued expenses	<u>5,615</u>	
Total liabilities		\$ 123,434
Fund balance		<u>5,968,394</u>
Total liabilities and fund balance		<u>\$6,091,828</u>

The accompanying notes are an integral
part of the financial statements.

TENANTS' DEVELOPMENT CORPORATION

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

Year Ended December 31, 1986

Revenue:		
Management fee income	\$ 87,657	
Interest and dividend income	686,634	
Other income	<u>5,203</u>	
Total revenue		\$ 779,494
Expenses:		
Professional fees	31,796	
Salaries and related	17,473	
Insurance	9,495	
Depreciation	6,055	
Repairs and maintenance	3,883	
Taxes	2,238	
Other	2,172	
Office expense	<u>643</u>	
Total expenses		<u>73,755</u>
Excess of revenue over expenses		705,739
Fund balance, beginning of year		<u>5,262,655</u>
Fund balance, end of year		<u>\$5,968,394</u>

The accompanying notes are an integral
part of the financial statements.

TENANTS' DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 1986

Funds provided:

Excess of revenue over expense \$705,739

Add items not affecting cash:

Depreciation 6,055

Funds provided from operations 711,794

Other sources:

Decrease in marketable securities 91,179

Decrease in management fee receivable 14,787

Decrease in notes payable 20,000

Increase in accounts payable 3,297

Increase in payroll tax payable 5,802

Increase in accrued expense 1,579

Total funds provided \$848,438

Funds applied:

Increase in prepaid expenses 1,969

Increase in advances to affiliate 24,459

Purchase of fixed assets 2,509

Increase in notes receivable 660,842

Increase in deferred development costs 139,995

Total funds applied 829,774

Increase in cash 18,664

Cash, beginning of year 89,064

Cash, end of year \$107,728

The accompanying notes are an integral
part of the financial statements.

TENANTS' DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

Note 1 - The Organization

Tenants' Development Corporation (The Organization) is a nonprofit corporation exempt from tax as a public charity under Section 501(c)(3) of the Internal Revenue Code. Its purpose is the promotion of low cost housing to families of low and moderate income of every race, religion and nationality in the South End of Boston, Massachusetts.

Note 2 - Significant Accounting Policies

The financial statements reflect the following accounting policies:

Income and Expense Recognition

Income and expenses are recorded using the accrual method of accounting.

Property and Equipment

Depreciation is computed using the straight-line method over estimated lives of 5 to 10 years for furniture, equipment and improvements, and 5 years for motor vehicles.

Note 3 - Marketable Securities

Investments include the following at December 31, 1986:

	<u>At Cost</u>
8792 shares of Massachusetts Financial High Income Tr	\$ 63,655
Housing Income Realty Partners VLP Securities	45,000
2851 shares of Pilgrim Magnacap FD Inc Securities	<u>29,991</u>
	<u>\$138,646</u>

Marketable securities are carried at the lower of aggregate portfolio cost or market value. At December 31, 1986, market value approximated cost.

TENANTS' DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

Note 4 - Related Party Transactions

In 1985, the Organization took part in a resyndication plan established to obtain additional funds to improve existing residential rental property and develop additional rental property in the South End of Boston. The Organization was involved in a plan in which assets and liabilities were transferred to newly created limited partnerships. In one transfer, TDC & Associates (a limited partnership) contributed its assets and liabilities, valued at fair market, to the Organization, which, in turn, sold the property to SETH II Limited Partnership. The Organization also sold its wholly owned housing development at fair market value to SETH I Limited Partnership. As a result of these transactions, a net gain from the disposition of the properties of \$1,964,059 was recongnized. Each limited partnership is managed by a corporate general partner under the control of the Board of Directors of Tenants' Development Corporation.

Management fees receivable represents management fees due from affiliates as follows:

SETH II Limited Partnership	\$ 30,786
SETH I Limited Partnership	<u>11,769</u>
	<u>\$ 42,555</u>

As discussed above, the Organization transferred certain parcels of revenue generating real estate to two limited partnerships resulting in the following notes:

Note receivable from SETH II Limited Partnership dated December 30, 1985, with interest at a rate of 14.25% compounded annually. Interest is receivable on an annual basis. Any interest not received will be collected upon maturity of the note, January 1, 2001. The note is secured by a mortgage and security agreement in the real estate owned by the Limited Partnership.

\$3,592,726

TENANTS' DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

Note 4 - Related Party Transactions, Continued

Note receivable from SETH I Limited Partnership dated December 30, 1985, with interest at a rate of 16% compounded annually. Interest not received will be collected upon the maturity of the note, January 1, 2001. The note is secured by a mortgage and security agreement in the real estate owned by the Limited Partnership.

845,528

Residual receipts note from SETH I Limited Partnership (subsequently drafted and signed) for amounts due the Organization for advances made through December 31, 1985. The note requires payment of simple interest at a rate of 6% per annum and is payable with the excess proceeds, if any, upon sale of the real estate by SETH I Limited Partnership.

127,241

Residual receipts note from SETH II Limited Partnership (subsequently drafted and signed) for amounts due the Organization for advances made through December 31, 1985. The note requires payment of simple interest at a rate of 6% per annum and is payable with the excess proceeds, if any, upon the sale of the real estate by SETH II Limited Partnership.

99,358

Plus accrued interest on above notes.

660,842

\$5,325,695

Note 5 - Deferred Development Costs

The Organization is currently developing additional residential housing in Boston's South End. It is not certain whether all costs relating to the development, such as architectural and legal fees, will be recovered. These costs are currently being deferred in the financial statements in the amount of \$429,796, at December 31, 1986.

TENANTS' DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

Note 6 - Notes Payable

The Organization was indebted on two unsecured notes payable used for financing additional real estate development (Note 5).

	<u>Balance</u>	<u>Interest Rate</u>
Note payable NCB	\$73,187	9.5%
Note payable GBCD	<u>20,000</u>	8.0%
	<u>\$93,187</u>	

Both notes are due upon closing of the new project.

D) FORM 4

FINANCING SOURCES

TDC III

ConstructionProject Cost: \$ 6,586,100Developer Equity: \$ 1,286,000Type of Equity: Bridge Loan against syndication proceedsSyndication Proceeds: \$ 1,300,000 % Syndicated 100Loan Sources:

Source	Loan Type	Amount (\$)	Rate (%)	Loan Term
MHFA		\$5,300,100	10.1	16 mos.
BUILD-City of Boston		1,286,000	3	2 years

Permanent

Project Cost: \$ _____

Developer Equity: \$ _____

Type of Equity: _____

Syndication Proceeds: \$ _____ %
Syndicated _____Loan Sources:

Source	Loan Type	Amount (\$)	Rate (%)	Loan Term
MHFA		\$5,300,100	10.1	30 years

DISCLOSURE STATEMENT

Any person submitting a development proposal to the City of Boston must truthfully complete this Statement and submit it prior to being formally designated for any project.

1. Do any of the principals owe the City of Boston any monies for incurred real estate taxes, rents, water and sewer charges or other indebtedness?

no

2. Are any of the principals employed by the City of Boston? If so, in what capacity? (Please include name of agency or department and position held in that agency or department.)

no

3. Have any of the principals previously owned any real estate? If so, when, where, and what type of property?

no

4. Were any of the principals ever the owners of any property upon which the City of Boston foreclosed for his/her failure to pay real estate taxes or other indebtedness?

no

5. Have any of the principals ever been convicted of any arson-related crimes, or currently under indictment for any such crimes?

no

6. Have any of the principals been convicted of violating any law, code, statute or ordinance regarding conditions of human habitation within the last three (3) years?

no

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY THIS

17th Day of December, 19 87

SIGNATURE:

Marc Tyler

ADDRESS:

Tenants Development Corp.
663 Mass Ave.

Boston, MA 02118

PART I

MUD-4001
(7-69)

REDEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE¹

A. REDEVELOPER AND LAND

1. a. Name of Redeveloper: Tenants Development Corporation

b. Address and ZIP Code of Redeveloper: 663 Massachusetts Avenue
Boston, MA 02118

c. IRS Number of Redeveloper: 04-2487898

2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from

Boston Redevelopment Authority

(Name of Local Public Agency)

is the South End

(Name of Urban Renewal or Redevelopment Project Area)

is the City of Boston, State of Massachusetts

is described as follows²

parcels SE 59,60,61,62,65,66, RR 117, 118

212-214 Shawmut Avenue

69,71,73,79,81 E. Berkley Street

395, 397, 400 Mass Avenue

3. If the Redeveloper is not an individual doing business under his own name, the Redeveloper has the status indicated below and is organized or operating under the laws of Massachusetts:

☐ A corporation.

☒ A nonprofit or charitable institution or corporation.

☐ A partnership known as

☐ A business association or a joint venture known as

☐ A Federal, State, or local government or instrumentality thereof.

☐ Other (explain)

4. If the Redeveloper is not an individual or a government agency or instrumentality, give date of organization:
August 15, 1969

5. Names, addresses, title of position (if any), and nature and extent of the interest of the officers and principal members, shareholders, and investors of the Redeveloper, other than a government agency or instrumentality, are set forth as follows:

see attached

¹ If space on this form is inadequate for any requested information, it should be furnished on an attached page which is referred to under the appropriate numbered item on the form.

² Any convenient means of identifying the land (such as block and lot numbers or street boundaries) is sufficient. A description by metes and bounds or other technical description is acceptable, but not required.

PART I - REDEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE (Continued)

- a. If the Redeveloper is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock¹.
- b. If the Redeveloper is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the Redeveloper is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.
- d. If the Redeveloper is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the Redeveloper is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

NAME, ADDRESS, AND ZIP CODEPOSITION TITLE (if any) AND PERCENT OF INTEREST OR DESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

See attached list

6. Name, address, and nature and extent of interest of each person or entity (not named in response to Item 5) who has a beneficial interest in any of the shareholders or investors named in response to Item 5 which gives such person or entity more than a computed 10% interest in the Redeveloper (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the Redeveloper; or more than 50% of the stock in a corporation which holds 20% of the stock of the Redeveloper);

NAME, ADDRESS, AND ZIP CODEDESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

7. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 5 or Item 6 above:

B. RESIDENTIAL REDEVELOPMENT OR REHABILITATION

(The Redeveloper is to furnish the following information, but only if land is to be redeveloped or rehabilitated in whole or in part for residential purposes.)

¹ If a corporation is required to file periodic reports with the Federal Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, so state under this Item 5. In such case, the information referred to in this Item 5 and in Items 6 and 7 is not required to be furnished.



Tenants' Development Corporation

663 MASSACHUSETTS AVENUE • BOSTON, MASSACHUSETTS 02118 • (617) 445-8317

BOARD OFFICERS

Marie Tyler, President
627 Massachusetts Avenue #1
Boston, MA.

Ms. Therese Williams, Vice President.
627 Massachusetts Avenue #2
Boston, MA.

Ms. Mary Longley, Treasurer/ Incorporator
498 Columbus Avenue #4
Boston MA.

Mr. Nathaniel Geer, Clerk
671 Massachusetts Avenue #3
Boston, MA.

BOARD MEMBERS

Ms. LeTanya Bradford
108 West Concord Street #4
Boston, MA.

Ms. Mar Clint scales
574 Massachusetts Avenue

Mr. Leroy Evans
23 Wellington Street. #10
Boston, MA.

Ms. Irene Falconer
407 Massachusetts Avenue #4
Boston, MA.

Ms. Earl Goldsboro
419 Massachusetts Avenue #4
Boston, MA.

Mr. James O'S. Morton
9 Hempstead Road
Riverside Plains, MA.

Ms. Judith Seward



Tenants' Development Corporation

663 MASSACHUSETTS AVENUE • BOSTON, MASSACHUSETTS 02118 • (617) 445-8317

57 Rutland Street #2
Boston, MA.

Mr. Charles Sheffield
671 Massachusetts Avenue #2
Boston, MA.

Ms. Joycelly Morrell
401 Massachusetts Avenue #3
Boston MA.

ADVISORY BOARD

Ms. Marcia Anderson, Director of Property Management, TSI.

Mr. Charles "Chuck" Grigsby, Finance Advisor

Mr. Thomas Welch, Welch Associates

Mr. Patrick Clancy, Greater Boston Community Development

Mr. Byron Rushing, State Representative

Mr. Melvin King, Rainbow Coalition

PART I - REDEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE (Continued)

Form Approved
OMB No. 63R-01

1. State the Redeveloper's estimates, exclusive of payment for the land, for:

- a. Total cost of any residential redevelopment. \$ 4,300,000
 b. Cost per dwelling unit of any residential redevelopment. \$ 125,000
 c. Total cost of any residential rehabilitation \$
 d. Cost per dwelling unit of any residential rehabilitation \$

2. a. State the Redeveloper's estimate of the average monthly rental (if to be rented) or average sale price (if to be sold) for each type and size of dwelling unit involved in each redevelopment or rehabilitation:

TYPE AND SIZE OF DWELLING UNIT		ESTIMATED AVERAGE MONTHLY RENTAL	ESTIMATED AVERAGE SALE PRICE
0 BR	552 sq. ft.		\$ 96,000
1 BR	655 sq. ft.		\$110,000
2 BR	920 sq. ft.		\$101,450
3 BR	1,754		\$128,000

b. State the utilities and parking facilities, if any, included in the foregoing estimates of rentals:

c. State equipment, such as refrigerators, washing machines, air conditioners, if any, included in the foregoing estimates of sales prices: refrigerators and stoves

CERTIFICATION

I (We) _____

certify that this Redeveloper's Statement for Public Disclosure is true and correct to the best of my (our) knowledge and belief.²Dated: 12-17-87

Dated: _____

Marc Tyler
Signature_____
Signature

President, TDC

Title

663 Mass. Ave., Boston, MA 02118

Address and ZIP Code

Address and ZIP Code

¹ If the Redeveloper is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

² Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment of not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing the name to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department of the United States.

PART II - REDEVELOPER'S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

(For Confidential Official Use of the Local Public Agency and the Department of Housing and Urban Development. Do Not Transmit to HUD Unless Requested or Item 8b is Answered "Yes.")

1. a. Name of Redeveloper: Tenants' Development Corporation
b. Address and ZIP Code of Redeveloper: 663 Mass. Ave., Boston, MA 02118
2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from
Boston Redevelopment Authority
(Name of Local Public Agency)
is South End
(Name of Urban Renewal or Redevelopment Project Area)
in the City of Boston, State of Mass
is described as follows:
Parcels SE 59-66
67-81 East Berkeley St.,
212-214 Shawmut Avenue
3. Is the Redeveloper a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? ☐ YES ☒ NO
If Yes, list each such corporation or firm by name and address, specify its relationship to the Redeveloper, and identify the officers and directors or trustees common to the Redeveloper and each other corporation or firm.
4. a. The financial condition of the Redeveloper, as of December 31, 1986,
is as reflected in the attached financial statement.
(NOTE: Attach to this statement a certified financial statement showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.)
b. Name and address of auditor or public accountant who performed the audit on which said financial statement is based:
Alfred W. Siegrist
20 Walnut St., Wellesley Hills, MA 02181
5. If funds for the development of the land are to be obtained from sources other than the Redeveloper's own funds, a statement of the Redeveloper's plan for financing the acquisition and development of the land:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Form HUD-100
OMB No. 4130-0047
(Continued)

PART II - REDEVELOPER'S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

6. Sources and amount of cash available to Redeveloper to meet equity requirements of the proposed undertaking.

a. In banks

NAME, ADDRESS, AND ZIP CODE OF BANK

AMOUNT
\$

b. By loans from affiliated or associated corporations or firms

NAME, ADDRESS, AND ZIP CODE OF SOURCE

AMOUNT
\$

c. By sale of readily salable assets

DESCRIPTION

MARKET VALUE
\$

MORTGAGES OR LIENS
\$

7. Names and addresses of bank references

8. a. Has the Redeveloper or (if any) the parent corporation, or any subsidiary or affiliated corporation of the Redeveloper or said parent corporation, or any of the Redeveloper's officers or principal members, shareholders or investors, or other interested parties (as listed in the responses to Items 5, 6, and 7 of the Redeveloper's Statement for Public Disclosure and referred to herein as "principals of the Redeveloper") been adjudged bankrupt, either voluntary or involuntary, within the past 10 years? ☐ YES ☒ NO

If Yes, give date, place, and under what name.

b. Has the Redeveloper or anyone referred to above as "principals of the Redeveloper" been indicted for or convicted of any felony within the past 10 years? ☐ YES ☒ NO

If Yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

9. a. Undertakings, comparable to the proposed redevelopment work, which have been completed by the Redeveloper or any of the principals of the Redeveloper, including identification and brief description of each project and date of completion:

South End Tenant Housing I 100 units of rehab completed in 1969

SETH II 185 units of rehab, completed in 1974

SETH III 59 units of rehab & new construction presently under construction

PART II - REDEVELOPER'S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY (Continued)

- b. If the Redeveloper or any of the principals of the Redeveloper has ever been an employee, in a supervisory capacity, for construction contractor or builder on undertakings comparable to the proposed redevelopment work, name of such employee, name and address of employer, title of position, and brief description of work

N/A

10. Other federally aided urban renewal projects under Title I of the Housing Act of 1949, as amended, in which the Redeveloper or any of the principals of the Redeveloper is or has been the redeveloper, or a stockholder, officer, director or trustee, or partner of such a redeveloper:

11. If the Redeveloper or a parent corporation, a subsidiary, an affiliate, or a principal of the Redeveloper is to participate in the development of the land as a construction contractor or builder: N/A

a. Name and address of such contractor or builder:

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract? ☐ YES ☐ NO
If Yes, explain:

- c. Total amount of construction or development work performed by each contractor or builder during the last three years: \$ _____.

General description of such work:

- d. Construction contracts or developments now being performed by each contractor or builder:

<u>IDENTIFICATION OF CONTRACT OR DEVELOPMENT</u>	<u>LOCATION</u>	<u>AMOUNT</u> \$	<u>DATE TO BE COMPLETED</u>
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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Form HUD-900
OMB No. 3131-0047

PART II - REDEVELOPER'S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY (Continued)

1. Outstanding construction-contract bids of such contractor or builder:

AWARDED AGENCY

AMOUNT
3

DATE OPENED

12. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the redevelopment of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

N/A

13. a. Does any member of the governing body of the Local Public Agency to which the accompanying bid or proposal is being made or any officer or employee of the Local Public Agency who exercises any functions or responsibilities in connection with the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? ☐ YES ☒ NO

If Yes, explain.

b. Does any member of the governing body of the locality in which the Urban Renewal Area is situated or any other public official of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? ☐ YES ☒ NO

If Yes, explain.

14. Statements and other evidence of the Redeveloper's qualifications and financial responsibility (other than the financial statement referred to in item 4a) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We) I

certify that this Redeveloper's Statement of Qualifications and Financial Responsibility and the attached evidence of the Redeveloper's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.

Dated: 12-17-87

Marc Tupper
Signature

President, TDC

Title

663 Mass. Ave., Boston, MA 02118

Address and ZIP Code

Dated: 17 Dec 87

Nathanul Moon
Signature

Clerk, T.D.C.

Title

663 Massachusetts Avenue
Boston, MA 02118

Address and ZIP Code

1. If the Redeveloper is a corporation, this statement should be signed by the President and Secretary of the corporation; if an individual, by such individual; if a partnership, by one of the partners; if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Redeveloper.
2. Penalty for False Certifications: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment of not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department

AFFIRMATIVE MARKETING PLAN

1. Developer/Owner Name, Address Tenants Development Corporation
663 Mass Ave. Boston 02118 Tel. No. 445-8317
2. Name and Address of Housing Dawson-Longley Apts. 400 Mass Ave.
East Berkeley Condominiums, 69-81 East Berkeley St.
3. No. of Units 59 + 35 Vacant 94 Occupied 0
4. Indicate which racial or ethnic groups are least likely to apply for the housing without special outreach. The South End is one of the most racially mixed neighborhoods of the city, and we believe that all groups will apply for this housing. However, because T.D.C. is a mostly black organization, special efforts will be made to reach Hispanic, Asian and white residents.
- .. Indicate the media to be used to advertise the availability of the housing to the groups noted in #4.

Name of Newspaper, Radio or Television Station	Racial/Ethnic Identification of Market
<u>El Mundo</u>	<u>Hispanic</u>
<u>Herald</u>	<u>All groups</u>
<u>South End News</u>	<u>All groups</u>
<u>Sing Tao newspapers</u>	<u>Asian</u>
<u></u>	<u></u>

6. If brochures, leaflets, or other handouts are to be used, describe method of distribution.
We will distribute brochures to local community groups, churches, and meeting places, including the Harriet Tubman House, Villa Victoria community rooms, the SNAP office and the Chinese-Culture Institute.
7. List Community contacts and describe method of contact.

TDC is an active member of a network of non-profit and community based organizations in the South End and Chinatown. We participate jointly in a variety of forums and task forces and we will keep these groups informed on a regular basis as these projects approach their marketing phases.

8. If owners/renters are to be selected from a waiting list or pool of applicants, please describe the method that will be used to develop the applicant pool, the criteria that will be used for pre-qualifying the applicants, and the standards that will be used for final selection of buyer(s) or tenant(s). Attach separate page if necessary.

Within the goals which are established for the various racial groups, we want to solicit interest at an early stage from current TDC tenants who may be able to buy units from the moderate income range.

In order to meet the goals of racial mix, we will request pre-qualifying information from all interested buyers. We would like to give priority to current South End residents, or former South End residents who were forced to relocate by public action or condominium conversion or other hardships. In addition, we will look at family size to match units and families in such a way to maximize the use of the housing and respond to families with the greatest need for the size unit they seek.

9. Please describe other efforts planned as part of your outreach program not adequately covered by this form.

We want the units to be racially integrated at all income levels and we expect to do special outreach to make sure that this is the case in market rate units as well as the low-income units. Our outreach to minority buyers for the market units will include contacting some of the major downtown employers; as well as contact with important churches in the South End which are attended by many former residents of the area who would like to return to the South End. Through company and church newsletters we will solicit interest from minority market buyers who have only limited opportunities to acquire housing close to their downtown employment.

4. MARKETING PROGRAM

The East Berkeley site will present us with a mixture of challenges and opportunities for the marketing of the units. Units will be sold to three different "markets" -- the BHA, moderate income first-time homebuyers, and market rate homebuyers. The marketing issues are different for each market segment. We are confident that, while innovative, this kind of full mixture of income groups can and will work, especially in the South End, Boston's most diverse neighborhood.

Market Rate Units

The site's location is only a few blocks away from the area of the South End where market rate condominium units can sell for \$200-250 per square foot. However, two blocks can be a long way in the South End. Price ranges on Shawmut Avenue, only one block away, are not at the \$200 mark, ranging closer to \$170-\$190. The additional distance of the East Berkeley site from the mainstream of the South End further reduces projected market values particularly given the uncertainties affecting the immediate area. These uncertainties include the future of the elevated tracks along Washington Street, and the redevelopment of various vacant abutting parcels. For these reasons, we are projecting sales prices of \$140-\$175 per square foot.

There are many positives about the location that should be reflected in rising market values over the next few years. Peter's Park, abutting the site, will be renovated shortly including the construction of new tennis courts. While the site may have lost its immediate access to the Dover Street mass transit stop, the likely removal of the "L" will strongly enhance the area. The site is very close to downtown and part of what will be a major new development corridor in Boston, along Washington Street. We believe there are many people working downtown, especially people of color, who have been frustrated by the lack of opportunities to purchase property near their employment, and we will make an effort to contact such employees as the units near completion. We feel there may be some advantage in delaying the marketing as long as we can, in order for it to have become clearer what the potential is for development along Washington Street.

We will publicize the progress of the project during construction to encourage interest in the units. Before the model unit is finished, we will undertake broad distribution of a detailed brochure and begin advertising the availability of the units. As outlined in our affirmative marketing plan, we intend to notify the personnel departments in some of the major nearby employers, such as the University of Massachusetts, Tufts New England Medical Center, Gillette, and the major insurance companies in Copley Square, and companies such as IBM at Copley Place. In addition, we will engage the services of a broker to help plan the overall marketing campaign as well as to handle the sale of individual units.

Moderate Income Units

With regard to the moderate income units, we will begin our marketing efforts within the population of current TDC tenants and then expand it to other people in the neighborhood who, bypassed in the wave of gentrification, would welcome an opportunity to acquire an affordable home in the South End. As has been discussed with the BRA, we will give a priority in selection of owners for moderate income units to the extent allowed by law, to existing tenants of TDC buildings. Creating this priority will create a double benefit. First further upward mobility is made available to low/moderate income tenants. Second, as each so-called market rate TDC tenant moves out, a new low-income unit in an existing TDC building is created, since existing TDC units have Section 8 commitments that run with the developments. A recent review of TDC's market tenants shows that 10 - 15 have incomes in the range that may make them eligible to purchase moderate income units.

We know that there will be heavy interest in these units from people throughout the South End and the city as a whole. We will publicize the availability of these units through the network of social service agencies in the South End and Chinatown, and in all the local newspapers. An objective system of resident selection will be established so that the large number of likely applicants will be treated fairly and openly.

We have calculated the sales prices that are affordable to moderate income households and have determined that achievable prices would be approximately as follows:

One Bedroom	62,000
Two Bedroom	72,000
Three Bedroom	82,000

We would propose to base the actual sales price of each unit on the actual income of each purchaser. Eligible purchasers will have a range of income within a range of eligibility. The following chart shows the range of incomes that are possible, the projected average income of actual purchasers with that range, and the affordable sales price that results.

One Bedroom. Incomes could range from \$18,340 (70% of median) for a one-person household to \$23,900 (80% of median) for a two-person household. We have assumed that incomes will average \$21,500 for these purchasers.

Average Gross Income	21,500
30% of Income	6,450
Condo Operating Expenses	2,315
Available for Debt Service	4,135
Maximum Mortgage @ 5.5%/30 year	60,692
Downpayment @ 5%	3,208
Sales Price	63,900
Say:	<u>62,000</u>

Two Bedroom. Incomes could range from \$20,930 (70% of median) for a two-person household to \$29,920 (80% of median) for a four-person household. We have assumed that incomes will average \$25,000 for these purchasers.

Average Gross Income	25,000
30% of Income	7,500
Condo Operating Expenses	2,585
Available for Debt Service	4,915
Maximum Mortgage @ 5.5%/30 year	72,141
Downpayment @ 5%	3,799
Sales Price	75,940
Say:	<u>72,000</u>

Three Bedroom. Incomes could range from \$23,555 (70% of median) for a three-person household to \$31,760 (80% of median) for a five-person household. We have assumed that incomes will average \$27,300 for these purchasers.

Average Gross Income	27,300
30% of Income	8,190
Condo Operating Expenses	2,750
Available for Debt Service	5,440
Maximum Mortgage @ 5.5%/30 year	79,847
Downpayment @ 5%	4,203
Sales Price	84,050
Say:	<u>82,000</u>

Mortgage Insurance. One of the key issues in final determination of maximum affordable sales prices for moderate income households will be the underwriting rules selected finally by the HOP mortgage insurer. There is some information at present that may be interpreted as meaning that as a practical matter, these criteria may require a cap of 28% rather than 30% of gross income. This would have a negative impact on affordable sales prices from those assumed in this proposal. If 28% is enforced it could widen the gap shown in this pro forma.

Low Income Units

For the low income units, we will work with the BHA and EOCD to develop a tenant selection procedure that will take into account the special nature of this project. We will work with BHA to establish selection procedures acceptable to BHA and EOCD that recognizes a role for TDC as a community-based, non-profit housing provider with its own waiting list of eligible tenants.

Beyond that, priority consideration will be given to tenants who are currently overhoused at the BHA and who have established a good record as tenants of the Housing Authority.

NON-DISCRIMINATION STATEMENT

As a condition of receiving NHT-controlled funds, land, or other benefits, I, Marc Tyler, agree not to discriminate or permit discrimination on the basis of race, color, sex, religion, national origin, source of income, or presence of children (except in the case of an elderly project) in the lease, rental, or use and occupancy of the property located at 69-81 East Berkeley Street and 395 397,400,586 Mass Avenue.

Furthermore, I agree to comply with the attached Affirmative Marketing Plan and to maintain a record of all newspaper ads, outreach letters, translations, and leaflets. These will be available for review by NHT upon request.

I understand that I shall be able to proceed with completion of my project if I have taken every step outlined in the NHT-approved Affirmative Marketing Plan. Compliance shall be determined by the Boston Fair Housing Commission (BFHC). If I have not adequately complied with the NHT-approved plan, I shall be required to conduct additional outreach and/or I may be denied an occupancy permit for my project.

Marc Tyler
OWNER

12-17-87
DATE

President
Tenants Development Corporation

BOSTON JOBS ORDINANCE

As a condition of received NHT-controlled funds, I, Marc Tyler, President of Tenants Development Corporation, agree that the projects at 69-81 East Berkeley Street and at 400 Massachusetts Avenue will be managed in compliance with the City of Boston Jobs Ordinance.

Signed Marc Tyler.
Date 12-17-87

Affordability Provisions

1. TDC IV - East Berkeley Street.

The low-income units will be sold to the Boston Housing Authority, and under the statute governing state-funded public housing, a local housing authority cannot dispose of public housing without the approval of the Executive Office of Communities and Development. Such approval can only be given if the housing authority has demonstrated to EOCD that there is no longer a need for such housing, i.e., no eligible applicants on the waiting list. Under these conditions, these units are certain to be available to low-income tenants for as long as they exist.

The moderate-income units will be sold under the State's Homeownership Opportunity Program which requires the application of deed restrictions to preserve affordability after subsequent resales. Each owner of an affordable unit must agree to notify the Massachusetts Housing Partnership when his or her unit is to be sold and the Partnership is given a period of time to buy the unit or find a buyer at the agreed-upon price. If a unit initially sold for less than 85% of its appraised value, then every future re-sale will be restricted to that same percentage of the future value at time of sale. Finally, a second mortgage loan is used to secure the HOP subsidy used to write down the interest rate on the units. Upon sale, the lesser of the actual subsidy used or 20% of the allowed appreciation must be repaid to the Partnership.

In addition, a developer under the HOP program may impose other restrictions on the allowable appreciation of the units and TDC may consider additional mechanisms to preserve the affordability.

2. TDC III - Massachusetts Avenue.

This project is an MHFA/SHARP project and is therefore required to maintain 25% of the units for low-income families for at least 30 years, under the terms of the mortgage documents. From the beginning of this project TDC has been committed to guaranteeing that 40% of the units are affordable to moderate-income tenants for at least 15 years and this was also a condition of the Land Disposition Agreement. Subsidies have not yet been put in place to guarantee this entire period. This current proposal will fund an initial period of perhaps 1-3 years, and TDC is actively exploring other sources to subsidize the moderate rents for additional years.

VOTES OF THE NEIGHBORHOOD HOUSING TRUST

Approved at a Meeting of the Neighborhood Housing Trust

January 12, 1988

The following votes were taken at the January 12, 1988 meeting of the Neighborhood Housing Trust:

VOTED: That the Chair of the Neighborhood Housing Trust be authorized to recommend to the Boston Redevelopment Authority that the Housing Creation Proposal submitted by the Beacon Companies,; developers of Rowes Wharf, on December 30, 1986 and as amended on January 12th, 1987, to assist in the creation of ninety-four (94) rental and condominium units; Thirty-five (35) rental and condominium units at 69-81 East Berkely St., twenty-three (23) of which are affordable units; and not to exceed the amount needed for the purposes of recapturing funds and applying said funds for one year to the remaining fifty-nine (59) rental units at 395-586 Massachusetts Avenue; thirty-nine (39) of which are affordable units; and voted further that any surplus funds shall not be expedited without review and approval of the Housing Trust based upon the supplemental financial analysis by the Tenant's Development Corporation be approved as submitted with other such minor amendments as may be required to implement said affordable housing developments.

Passed unanimously 1/12/87

Attested to on Behalf of the
Neighborhood Housing Trust



Lawrence Dwyer
Chairman

M E M O R A N D U M

JANUARY 28, 1988

TO: BOSTON REDEVELOPMENT AUTHORITY
AND STEPHEN COYLE, DIRECTOR

FROM: RICARDO MILLETT, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT

SUBJECT: HOUSING CREATION PROPOSAL SUBMITTED BY
THE BEACON COMPANIES

EXECUTIVE
SUMMARY:

The Beacon Companies, developers of Rowes Wharf, has submitted a Housing Creation Proposal that would commit its remaining eleven (11) annual housing linkage payments, a total of \$1.94 million, to the Tenants Development Corporation (TDC) to assist in the creation of 94 housing units, 62 of which are affordable, in two TDC developments in the South End. The Neighborhood Housing Trust voted to recommend approval of this Housing Creation Proposal to the Authority on January 12, 1988. Approval of this Housing Creation Proposal is requested.

On May 21, 1984, the Beacon Companies entered into a Development Impact Project Agreement ("DIP Agreement") with the Boston Redevelopment Authority regarding the Rowes Wharf project. According to the DIP Agreement, the Beacon Companies may satisfy its housing linkage obligation to the City of Boston through a series of twelve (12) annual payments to the Neighborhood Housing Trust ("NHT"), or through an approved Housing Creation Proposal, or through some combination of the two options. Having made its first housing payment of \$176,812. to the NHT in 1987, the Beacon Companies has submitted a Housing Creation Proposal to dedicate its remaining eleven (11) annual payments, a total of \$1,944,932. to the Tenants Development Corporation (TDC) to assist in the creation of 94 housing units, 62 of which are affordable, in two TDC developments in the South End. Most of these funds will be committed to the equity needs of TDC IV, a mixed-income condominium development on East Berkeley Street and Shawmut Avenue. The remaining funds will be used to subsidize the moderate-income rental units at TDC III on Massachusetts Avenue, up to a cap of \$40,000.

TDC is a non-profit, minority controlled organization which was formed in 1969 by the South End Tenants Council to undertake the rehabilitation of BRA-owned buildings scattered throughout the South End. TDC currently owns 56

buildings with 285 rehabilitated apartments. The members of the corporation are the tenants of these buildings. The Board and staff of the corporation are responsible for the management and maintenance of these apartments.

In 1985, TDC hired Greater Boston Community Development, Inc. ("GBCD"), which had served as development consultant for the first TDC developments, to undertake new development in the South End. With the assistance of GBCD, TDC has undertaken two new developments in the South End, known as TDC III and TDC IV, which will yield a total of 94 new housing units. TDC now needs financial assistance from the City in order to make two-thirds of these new units affordable to low- and moderate-income families. The Rowes Wharf housing linkage payments can go a long distance toward meeting these affordability goals.

TDC's proposal is to borrow approximately \$1.1 million against the Rowes Wharf Housing Payment letter of credit. The Rowes Wharf stream of payments will be used to pay back the loan. Most of the borrowed funds will be used to fill the gap between the development cost and the projected sales proceeds of TDC IV, a 35 unit mixed-income condominium development on East Berkeley Street. Specifically, the funds will be applied to the units which will be offered to low- and moderate-income households at prices below the actual development costs. Any additional funds available from this loan will be used to subsidize low- and moderate-income rents during the first year of operation for two-thirds of the units at TDC III, an MHFA/SHARP development now under construction on Massachusetts Avenue. Pro formas and other financial information for both projects are included in the Housing Creation Proposal. These documents verify the \$1.1 million development gap for TDC IV, and the immediate need for at least \$28,000 in rent subsidies for TDC III. Without the Housing Creation funds, TDC will be unable to produce the affordable units at TDC IV, and will be unable to achieve the high proportion of affordable units at TDC III.

TDC is ready to begin construction on the East Berkeley condominiums (TDC IV) within 60 days and the Rowes Wharf Housing Payments will supply the missing link needed in order to allow construction to begin early in 1988. The rehabilitated units at TDC III will be ready for occupancy in early 1988, while the new construction units will be ready for occupancy in the Fall of 1988. TDC will seek additional subsidy funding to guarantee the long-term affordability of these rental units.

On January 12, 1988 the Neighborhood Housing Trust voted to recommend approval to the Authority of the TDC Housing Creation Proposal, with the condition that there be a cap of \$40,000 on funds rolled over from TDC IV to TDC III under this Proposal. A copy of the vote is attached.

It is requested therefore that the Housing Creation Proposal submitted by the Beacon Companies for the Tenants Development Corporation be approved.

An appropriate vote follows:

VOTED:

That the Authority finds after consideration of the evidence submitted at a public hearing on this date, January 7, 1988, regarding the Housing Creation Proposal submitted by the Beacon Companies: (1) that the Beacon Companies is obligated to pay approximately \$1,936,000 in Development Impact Project Exactions payable in annual installments of \$176,000 from 1988-1998 pursuant to Article 26 of the Boston Zoning Code and a Development Impact Project Agreement for the Rows Wharf development entered into by the Beacon Companies and the Boston Redevelopment Authority on May 21, 1984; (2) that the Beacon Companies submitted on January 7, 1988 a Housing Creation Proposal pursuant to Section 26-3.2 of the Boston Zoning Code; (3) that the Neighborhood Housing Trust has reviewed said Proposal and has made recommendations to the Authority with regard thereto; (4) that the Tenants Development Corporation is proposing to develop 35 units of condominium housing on East Berkeley Street and Shawmut Avenue in the South End, of which 23 units will be affordable to low- and moderate-income families; (5) that the Tenants Development Corporation is in the process of developing 59 units of rental housing on Massachusetts Avenue in the South End, of which 39 units will be affordable to low- and moderate-income families; (6) that a gap in the financing of said housing exists; (7) that but for the commitment of additional funds said housing would not be built and would not be affordable; (8) that application of the DIP Exactions from the Beacon Companies as proposed in its Housing Creation Proposal is necessary and appropriate to the development of said affordable housing.

AND FURTHER
VOTED:

That the Housing Creation Proposal submitted by the Beacon Companies on January 7, 1988 is hereby approved as submitted together with the conditions recommended by the Neighborhood Housing Trust in their vote of January 12, 1988 (copies of the votes appended hereto and incorporated by reference herein);

AND FURTHER
VOTED:

That the Director be and hereby is authorized to enter into a housing creation agreement pursuant to Section 9 of the Housing Creation Regulations and such other documents as may be necessary to implement the Housing Creation Proposal and ensure the successful development by TDC of the condominium housing units in TDC IV and the rental housing units in TDC III as affordable housing, each on such terms and conditions as the Director may deem necessary and/or appropriate to the successful implementation of said developments.

HOUSING CREATION PROPOSAL
TENANTS DEVELOPMENT CORPORATION

In connection with the Rowes Wharf development, the Beacon Companies have signed a Development Impact Project Agreement to make Housing Payments to the City of Boston at the rate of \$176,000 per year during the years 1988-1998. We propose that these payments be assigned to the Tenants Development Corporation (TDC) to assist in the creation of 94 units, 62 of which are affordable housing units, in two TDC developments in the South End. Most of these funds will be committed to the equity needs of TDC IV, a 35 unit mixed-income condominium project, and every dollar not needed there will be used to subsidize moderate income rents in TDC III, a 59 unit MHFA/SHARP project currently under construction.

Background:

TDC is a nonprofit organization which was formed in 1969 by the South End Tenants Council to undertake the rehabilitation of BRA-owned buildings scattered throughout the South End. As of this date, TDC owns 56 buildings with 285 rehabilitated apartments. The members of the corporation are the tenants of these buildings, who are largely lower income black residents, which qualifies TDC as a minority developer; the Board and staff of the corporation are responsible for the management and maintenance of these apartments.

In 1985, TDC hired Greater Boston Community Development, Inc. (GBCD), which had served as developer for the first TDC projects, to undertake new development in the South End, as TDC saw their waiting lists growing and the housing shortage worsening in the face of the neighborhood's gentrification. This has resulted in the creation of two new projects for TDC which need assistance from the City or BRA in order to make two-thirds of the units (62 out of 94) available to lower income families: TDC III and TDC IV. The Rowes Wharf DIP Agreement payments can go a long distance toward meeting that need.

The specifics of these projects are presented in the attached forms and pro formas. Narrative descriptions of the projects introduce the basic elements of each project. Both projects are being done by essentially the same development teams: GB CD, development consultant; Stull & Lee, architect; John B. Cruz Construction, general contractor.

Application of Housing Creation Funds

TDC is seeking funds for the subsidy needs of both TDC III and IV, but the most pressing need is for a funding commitment which will enable TDC to obtain a construction loan for TDC IV. TDC's immediate proposal is to borrow approximately \$1.1 million against the Rowes Wharf Housing Payment letter of credit. This amount will fill the gap between the development cost and the sales proceeds of the 35 unit mixed-income condominium project on East Berkeley Street. Specifically, the funds will be applied to the units which will be offered to low and moderate income households at prices below the actual development costs. Any funds not needed at TDC IV (East Berkeley Street) will be contributed to subsidizing low and moderate income rents for two-thirds of the units at TDC III on Massachusetts Avenue. Without the Housing Creation funds, TDC will be unable to produce the units at East Berkeley Street or make units at Massachusetts Avenue affordable to such a high proportion of low and moderate income tenants.

The enclosed pro formas for the condominium development include several conservative assumptions, all of which have been insisted upon by the bank with which GBCD has been negotiating for the construction loan. Specifically, the market rate units are projected to sell for only \$123 per square foot; it is assumed that the full loan will be outstanding for 6 months after the construction is completed; and the budget is carrying \$100,000 for marketing costs. In addition, there is a generous construction contingency amount because the project involves the rehabilitation of badly deteriorated brick buildings which may have unknown conditions which will increase the cost of the work.

GBCD and TDC are of course hopeful that all of these assumptions do not prove to be true. They will be working diligently to recapture as much of the Housing Creation Funds as possible in order to fund the moderate income units at 400 Massachusetts Avenue for a significant period of time. But funds need to be committed to find the pessimistic scenario at East Berkeley Street if necessary and another source will be sought for TDC III.

Two different scenarios for the uses of these funds are presented below: (1) A "worst case scenario," under which we can obtain private construction financing; and (2) a more optimistic scenario under which less Housing Creating funding will be needed for TDC IV and more will be available to TDC III. Given the current realities of the market, we are obliged to formulate our proposal based on scenario #1, but TDC is hopeful that the sales at

East Berkeley Street will be better than this "worst case" and that more funds will be available to meet the commitment to guarantee moderate income rents at TDC III. These scenarios present a range of what might happen:

	<u>No. 1</u>	<u>No. 2</u>
Total Sales Proceeds	\$3,225,000 (market sales at \$123/s.f.)	\$3,517,250 (market sales at \$157/s.f.)
Land Acquisition	88,400	66,300
Marketing Costs	100,000	35,000
Carrying Costs	177,000	90,000
Total Development Cost	4,325,425	4,038,250
NHT Funds Required	1,100,425	521,000
Funds Available for TDC III	40,000	619,000

If the sales at East Berkeley Street go well, and approach the projections in Scenario #2, the subsidy needs of TDC III will be met until well into 1995, and the Housing Trust funds will have been leveraged extremely well. Unfortunately, we cannot know how the funds will be used until the sales at East Berkeley actually occur, in early 1989, but under Scenario #2, funds would be available to TDC III, as follows:

Funds Applied to TDC III - Scenario No. 2

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Funds Available	\$40,000	581,000	\$487,450	\$382,420
Subsidy Needed	38,000	122,600	129,400	123,200
Interest Earned	2,000	29,050	24,370	19,120
Balance	4,000	487,450	382,420	278,340
	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Funds Available	\$278,340	\$181,055	\$96,770	\$27,035
Subsidy Needed	111,200	93,335	74,575	57,085
Interest Earned	13,915	9,050	4,840	1,350
Balance	181,055	96,770	27,035	(28,700)

Conclusion

The TDC III and TDC IV projects represent one of the last opportunities to build affordable housing in the South End. They involve both the rehabilitation of seriously dilapidated, abandoned buildings and the redevelopment of vacant underutilized land into quality housing, with 67% of the units made available to lower income households. The Tenants Development Corporation has defended the interests of affordable housing in the South End for almost 20 years and these project represent the fruition of many years of hard work and planning to bring back units of housing to the kind of mixed income population which has historically lived in the South End.

The East Berkeley condominiums are ready to move forward and the Rowes Housing Payments will supply the missing link needed in order to allow construction to begin early in 1988 before severe weather and other dangers cause more irreparable harm to the buildings' structure. The rehabilitated units at TDC III will be rented in early 1988, and a portion of these funds will cover the immediate gap caused by moderate income rents, at least for the first year of operation and maybe longer until a more permanent solution can be found.

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